PROVINCIAL AUDITOR
of Saskatchewan

July 18, 2014

The Honourable D. Harpauer
Minister of Social Services
Room 303, Legislative Building
REGINA, SK S4S 0B3

Dear Madam:

Re: Ministry of Social Services Central Trust Account
Financial Statements

We enclose the financial statements of the Ministry of Social Services Central Trust Account for the year ended March 31, 2014 and our report on these financial statements.

Yours truly,

Judy Ferguson

Judy Ferguson, FCA
Acting Provincial Auditor

/mk

Enclosure

cc: The Honourable K. Krawetz, Chair, Treasury Board
Ms C. Isman, Secretary, Treasury Board
Mr. T. Paton, Provincial Comptroller, Ministry of Finance (Email)
Mr. K. Acton, Deputy Minister, Ministry of Social Services
Ms M. Myers, Executive Director, Finance, Ministry of Social Services
Ms A. Wilson, Acting Assistant Manager, Financial Services Branch, Ministry of Social Services

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File: 361-45

SOCIAL SERVICES CENTRAL TRUST ACCOUNT

FINANCIAL STATEMENTS

For the Year Ended March 31, 2014

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Social Services Central Trust Account, which comprise the statement of financial position as at March 31, 2014, and the statement of changes in trust equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Social Services Central Trust Account as at March 31, 2014, and the changes in trust equity for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson

Regina, Saskatchewan
July 17, 2014

Judy Ferguson, FCA
Acting Provincial Auditor

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SOCIAL SERVICES CENTRAL TRUST ACCOUNT
STATEMENT OF FINANCIAL POSITION
As at March 31

	Armour Trust	Balison Trust	Client's Trust	Total 2014	Total 2013
FINANCIAL ASSETS					
Due from General Revenue Fund (Note 3)	$ 74,988	$ 207	$ 7,935	$ 83,130	$ 83,422
Interest Receivable (Note 3)	180	1	19	200	225
TRUST EQUITY (Statement 2)	$ 75,168	$ 208	$ 7,954	$ 83,330	$ 83,647

(See accompanying notes to the financial statements)

Statement 2

SOCIAL SERVICES CENTRAL TRUST ACCOUNT
STATEMENT OF CHANGES IN TRUST EQUITY
For the Year Ended March 31

	Armour Trust	Balison Trust	Client's Trust	Total 2014	Total 2013
Changes in Trust Equity:					
Interest earned	$ 761	$ 2	$ 82	$ 845	$ 911
Client benefits	0	0	8,663	8,663	14,396
Client distributions	(465)	0	(9,360)	(9,825)	(15,656)
Net increase (decrease) in trust equity	296	2	(615)	(317)	(349)
Trust Equity, beginning of year	74,872	206	8,569	83,647	83,996
Trust Equity, end of year (Statement 1)	$75,168	$ 208	$ 7,954	$ 83,330	$ 83,647

(See accompanying notes to the financial statements)

SOCIAL SERVICES CENTRAL TRUST ACCOUNT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014

1. Authority and purpose of Trust

The Social Services Central Trust Account (Trust Account) was established under Section 13 of *The Department of Social Services Act*.

In accordance with Section 15 of *The Department of Social Services Act*, the Ministry administers funds received from the Armour and Balison Estates and holds the Armour funds for the benefit of Dales House, an institution operated by Social Services.

The Client's Trust funds is used to hold, in trust, money belonging to designated clients. It contains a separate account for each client which provides a record of that client's transactions.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian public sector accounting standards for governments published by CPA Canada. A cash flow statement has not been presented since the cash flow information is readily apparent from the other financial statements.

Estate distributions to the trusts are recorded as an increase in net earnings available for benefits in the period they are earned.

Accrual basis

The financial statements are prepared on the accrual basis of accounting.

Revenue recognition

Interest earned on trust balances is recognized when received or receivable.

3. Due from General Revenue Fund

The trust funds are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

Interest earned is calculated and paid by the General Revenue Fund on a quarterly basis into the Trust Account's bank account using the Government's 30 day borrowing rate and the Trust Account's average daily bank account balance. The Government's average thirty day borrowing rate for the year is 1.02% (2013-1.09%).

4. Related party transactions

In accordance with established government practice, the Trust Account has not been charged with any general administrative costs and no provision for such costs are reflected in these statements. These costs are absorbed by the Ministry of Social Services.

5. Financial instruments

The Trust Account's financial instruments consist of due from General Revenue Fund and interest receivable. There are no significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows.